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**Bush Administration Settles Lamb Safeguard Issue
with Australia & New Zealand**

WASHINGTON - The Bush Administration announced today that it had settled the WTO dispute over lamb meat imports with Australia and New Zealand. Under the agreement announced by United States Trade Representative Robert B. Zoellick, the United States will continue to provide adjustment assistance to domestic lamb producers through FY 2003, and end its tariff-rate quota safeguard on November 15, 2001. Australia and New Zealand agree that this constitutes a mutually satisfactory solution to the WTO dispute.

"We are pleased that by working cooperatively with our lamb producers, Members of Congress, and important trading partners, we have resolved this difficult issue," said Zoellick. "This program will enhance the competitiveness of our lamb industry and is fully consistent with our obligations under the WTO."

The United States will provide the U.S. lamb industry with up to \$42.7 million in additional assistance through FY 2003 to help the industry to continue adjusting to import competition.

The Administration's decision was taken in close consultation with U.S. industry as well as key Members of Congress. The U.S. lamb industry has given its full support to the Administration decision. The Administration will now commence the legal process needed to ensure that its decision is effectuated by November 15, 2001.

The assistance program, to be funded by the U.S. Department of Agriculture, is designed to enhance a \$100 million adjustment assistance package that was decided upon at the time the tariff rate quota was implemented in July 1999. It will include additional funding for direct payments to lamb producers, the purchase of lamb by the USDA under a domestic purchase program, and a breeding enhancement program.

The lamb meat safeguard was originally implemented in July 1999 under Section 201 of the Trade Act of 1974. Australia and New Zealand, who together account for approximately 99 percent of U.S. lamb imports, filed a WTO challenge to the lamb meat safeguard in October 1999. In May 2001, the WTO Appellate Body issued a decision finding certain aspects of the safeguard to be inconsistent with WTO rules.

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